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CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

MAJOR TRANSACTION ENTERING INTO OF LAND USE RIGHT LEASE AGREEMENTS

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholders’ approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

22 February 2019

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – PROPERTY VALUATION REPORT	II-1
APPENDIX III – GENERAL INFORMATION	III-1

DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:–

“Board”	the board of Directors of the Company
“Company”	China Investments Holdings Limited (中國興業控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132)
“connected persons”	shall have the meaning as ascribed to it under the Listing Rules
“Danzao Logistics Centre”	Danzao Logistics Centre, Danzao Town, Nanhai District, Foshan City, the PRC* (中國佛山市南海區丹灶鎮丹灶物流中心)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Historical LUR Lease Agreements”	<p>collectively:</p> <p>(i) the lease agreement dated 23 October 2018 entered into between Sino Rock Tyco and Foshan City Nanhai District Danzao Town Land Resources Development Ltd.* (佛山市南海區丹灶鎮土地資源開發公司) in respect of the leasing of the unencumbered land use right for a piece of commercial land with a rental area of 54.35 mu (equivalent to approximately 36,233.0 m²) situated at Danzao Logistics Centre; and</p> <p>(ii) the lease agreement dated 23 October 2018 entered into between Sino Rock Tyco and the Landlord in respect of the leasing of the unencumbered land use right for a piece of industrial land with a rental area of 146.61 mu (equivalent to approximately 97,742.4 m²) situated at Danzao Logistics Centre,</p> <p>both disclosed under the announcement of the Company dated 24 October 2018</p>
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

DEFINITIONS

“Landlord”	Foshan City Nanhai Lianyun Investment Co., Ltd.* (佛山市南海聯運投資有限公司), a company incorporated in the PRC with limited liability
“Land Parcels”	collectively, Land Parcel 1, Land Parcel 2, Land Parcel 3 and Land Parcel 4
“Land Parcel 1”	as defined in the section headed “ <i>Letter from the Board – The LUR Lease Agreements – The Land Parcels</i> ” in this circular
“Land Parcel 2”	as defined in the section headed “ <i>Letter from the Board – The LUR Lease Agreements – The Land Parcels</i> ” in this circular
“Land Parcel 3”	as defined in the section headed “ <i>Letter from the Board – The LUR Lease Agreements – The Land Parcels</i> ” in this circular
“Land Parcel 4”	as defined in the section headed “ <i>Letter from the Board – The LUR Lease Agreements – The Land Parcels</i> ” in this circular
“Latest Practicable Date”	22 February 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LUR Lease Agreements”	collectively, LUR Lease Agreement 1, LUR Lease Agreement 2, LUR Lease Agreement 3 and LUR Lease Agreement 4
“LUR Lease Agreement 1”	the lease agreement dated 21 January 2019 entered into between Sino Rock Tyco and the Landlord in respect of the leasing of the unencumbered land use right for Land Parcel 1
“LUR Lease Agreement 2”	the lease agreement dated 21 January 2019 entered into between Sino Rock Tyco and the Landlord in respect of the leasing of the unencumbered land use right for Land Parcel 2

DEFINITIONS

“LUR Lease Agreement 3”	the lease agreement dated 21 January 2019 entered into between Sino Rock Tyco and the Landlord in respect of the leasing of the unencumbered land use right for Land Parcel 3
“LUR Lease Agreement 4”	the lease agreement dated 21 January 2019 entered into between Sino Rock Tyco and the Landlord in respect of the leasing of the unencumbered land use right for Land Parcel 4
“m ² ”	square meter
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Sino Rock Tyco”	Guangdong Sino Rock Tyco Construction Co., Ltd.* (廣東中岩泰科建設有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For the purpose of this circular, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB1=HK\$1.156. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

For the purpose of this circular, a mu means a mu under the Method of Uniform Legal Measures in the People’s Republic of China 《中華人民共和國法定計量單位使用方法》, and 1 mu means approximately 666.67 m².*

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LETTER FROM THE BOARD



CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

Executive Directors:

He Xiangming (*Chairman of the Board*)
Lin Pingwu (*Managing Director*)
You Guang Wu (*Director*)
Huang Zhihe (*Deputy Managing Director*)
Wang Xin (*Deputy Managing Director*)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Chan Kwok Wai
Chen Da Cheng
Deng Hong Ping

22 February 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION ENTERING INTO OF LAND USE RIGHT LEASE AGREEMENTS

INTRODUCTION

Reference is made to the announcement of the Company dated 24 October 2018 in relation to the entering into of the Historical LUR Lease Agreements, pursuant to which the unencumbered land use right for a piece of commercial land with a rental area of 54.35mu (equivalent to approximately 36,233.0 m²) and a piece of industrial land with a rental area of 146.61 mu (equivalent to approximately 97,742.4 m²) both situated at Danzao Logistics Centre were respectively leased to Sino Rock Tyco.

Reference is also made to the announcement of the Company dated 23 January 2019 in relation to the entering into of the LUR Lease Agreements by Sino Rock Tyco and the Landlord pursuant to which the Landlord leased the unencumbered land use right for the Land Parcels to Sino Rock Tyco.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on the LUR Lease Agreements and other information as required under the Listing Rules.

THE LUR LEASE AGREEMENTS

Set out below is a summary of the principal terms of the LUR Lease Agreements:

Date

21 January 2019 (after trading hours)

The LUR Lease Agreements would be effective upon the Company having obtained the necessary Shareholders' approval as required pursuant to the Listing Rules in relation to the transactions contemplated thereunder. The required written Shareholders' approval has been obtained by the Company on the date of the LUR Lease Agreements.

Parties

- (1) Sino Rock Tyco, a subsidiary of the Company (as lessee); and
- (2) The Landlord (as lessor).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owner are third parties independent of the Group and its connected persons.

The Land Parcels

The Landlord leased the unencumbered land use right for the Land Parcels situated at Danzao Logistics Centre to Sino Rock Tyco with details as follows:

- (1) **Land Parcel 1:** a piece of unencumbered industrial land with a rental area of approximately 103.62 mu (equivalent to approximately 69,080.1 m²);
- (2) **Land Parcel 2:** a piece of unencumbered industrial land with a rental area of approximately 48.64 mu (equivalent to approximately 32,424.8 m²);
- (3) **Land Parcel 3:** a piece of unencumbered industrial land with a rental area of approximately 216.50 mu (equivalent to approximately 144,331.9 m²); and
- (4) **Land Parcel 4:** a piece of unencumbered industrial land with a rental area of approximately 104.22 mu (equivalent to approximately 69,476.4 m²).

The unencumbered land use right for the Land Parcels are expected to be recorded by the Company initially in the amount of approximately RMB306,339,973 (equivalent to approximately HK\$354,129,009) according to HKFRS 16. The said unencumbered land use right for the Land Parcels was valued at the amount of approximately RMB334,000,000 (equivalent to approximately HK\$386,104,000) by PSA(HK) Surveyors Limited ("**PSA(HK)**"), an independent property valuer, as disclosed in the property valuation report included as "*Appendix II*" to this circular.

LETTER FROM THE BOARD

Use

The Land Parcels, together with the land parcels leased to the Group under the Historical LUR Lease Agreements, will be used for the development of part of an industrial park in Danzao Logistics Centre, which is currently contemplated to have a total site area of approximately 1,400 mu (equivalent to approximately 933,324 m²), the agreed construction period for which under the LUR Lease Agreements is 60 months from the date of the LUR Lease Agreements, within which Sino Rock Tyco is required to complete the relevant construction. Otherwise, Sino Rock Tyco will be required to pay 120% of the then current rent for the period of delayed construction.

Administrative permissions, including planning permits (建設工程規劃許可證) and construction permits (建設工程施工許可證), will be required for the construction of the industrial park. It is currently expected that the required planning permits and construction permits for the construction of most parts of the industrial park will be applied for and granted by the relevant PRC authorities in 2019, and, as at the Latest Practicable Date, an application has already been made to the relevant PRC government authority for the planning permit in relation to the staff residences to be constructed on the industrial park. The industrial park will be developed in two phases, with construction of most parts of the industrial park to commence in the first half of 2019 and be completed within 2020. Subject to the then lodging demand, further staff residences may be built in the year 2020, the construction of which is expected to complete in 2021. Such expected timeline of completion of construction of various parts of the industrial park will be communicated to the relevant PRC authorities when the relevant construction permits are applied for, and be referenced therein.

The Group is currently still in the course of leasing and negotiating for the leasing of suitable land for the overall development of the industrial park.

Subject to the consent of the Landlord, Sino Rock Tyco may sub-lease part of the Land Parcels and/or the completed developments (including main and spare production plants for new energy vehicle, supporting pilot base, research and development centre and ancillary facilities, as well as staff residences) to third parties for a term not exceeding the term of the LUR Lease Agreements.

Lease term

The lease term of Land Parcel 1 and Land Parcel 2 were approximately 33 years from 21 January 2019 to 25 August 2051; whereas the lease term of Land Parcel 3 and Land Parcel 4 were approximately 33 years from 21 January 2019 to 20 December 2051.

Sino Rock Tyco may apply for an extension of the lease term under the LUR Lease Agreements by 6-month advance notice in writing.

Delivery

The Land Parcels were delivered on the date of the LUR Lease Agreements.

LETTER FROM THE BOARD

Consideration

The aggregate amount payable by Sino Rock Tyco in cash pursuant to the LUR Lease Agreements will be approximately RMB709,160,697 (equivalent to approximately HK\$819,789,766), comprising:

- (1) **Rent:** in the first three years ending 20 January 2022, the annual rent payable by Sino Rock Tyco (inclusive of tax) will be RMB30,000 per mu (equivalent to approximately HK\$34,680 per mu); and from 21 January 2022 onwards, the annual rent will be increased by 8% every three years; and
- (2) **Management fee:** Sino Rock Tyco will pay an annual management fee (inclusive of tax) of RMB1.3 per square meter (equivalent to approximately HK\$1.5 per square meter) in enabling the settlement of land use tax by the Landlord specifically.

The consideration payable by Sino Rock Tyco pursuant to the LUR Lease Agreements was determined after arm's length negotiations between Sino Rock Tyco and the Landlord with reference to the rent, lease term and relevant tax charges in comparable market as well as the development prospects of the Land Parcels. The consideration is expected to be funded through the internal resources of Sino Rock Tyco.

Payment

The first annual rent and management fee payment shall be made upon the expiry of the 6-month rent-free period commencing on the date of delivery of the respective Land Parcels (for the avoidance of doubt, including management fee for the period from the date of the LUR Lease Agreements to the expiry of the rent-free period), i.e. an amount of RMB 6,762,958 (equivalent to approximately HK\$7,817,979) will be paid by Sino Rock Tyco to the Landlord on 21 July 2019. Thereafter, the annual rent and management fee will be payable in full in advance before 15 January in respect of each year.

Security deposits

Within 10 working days after the date of the LUR Lease Agreements, Sino Rock Tyco will pay an aggregate security deposits of RMB7,100,000 (equivalent to approximately HK\$8,207,600) to the Landlord.

If, during the lease term, any amount has been forfeited or deducted by the Landlord from the relevant security deposit, Sino Rock Tyco will replenish the security deposit to its initial amount within 15 working days of the receipt by Sino Rock Tyco of the written notice from the Landlord on the aforesaid. The security deposits will be refunded to Sino Rock Tyco by the Landlord without interest on the expiry of the respective lease term under the LUR Lease Agreement, upon confirmation by the Landlord that there is no breach of the respective LUR Lease Agreement by Sino Rock Tyco.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE TRANSACTIONS CONTEMPLATED UNDER THE LUR LEASE AGREEMENTS

Upon the entering into of the LUR Lease Agreements, the right-of-use assets and leased liabilities will be recognized amounting to RMB306,339,973 (equivalent to approximately HK\$354,129,009) according to HKFRS 16. As a result, there would be no change in the total assets less total liabilities on the consolidated statement of financial position.

Regarding the impact on the consolidated statement of profit or loss and other comprehensive income, the Company will depreciate the right-of-use assets over the useful life on a straight line-basis and an annual depreciation amounting to RMB9,283,029 (equivalent to approximately HK\$10,731,182) will be incurred. In addition, an annual interest expense on the leased liabilities will be charged amounting to RMB15,316,999 (equivalent to approximately HK\$17,706,451) for the first year and will generally be front-loaded.

INFORMATION ON THE PARTIES

The Group is principally engaged in hotel investment, management and operation, property investments in both properties held for sale and investment properties, wellness elderly care businesses and finance leasing. Through its joint ventures and associates, the Group also participates and invests in fast-growing sectors, including electric utilities, civil explosives and finance leasing in the PRC.

The Landlord is principally engaged in investment, management, development and construction of industrial park.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE LUR LEASE AGREEMENTS

The Land Parcels, together with the land parcels leased to the Group under the Historical LUR Lease Agreements, will be used for the development of part of the industrial park situated in Danzao Logistics Centre (which is an area zoned by the relevant PRC authorities to be an industrial area for the development of new energy related businesses) which is intended to be leased to new energy related businesses, including electric vehicle and hydrogen powered fuel cell vehicle productions. It is contemplated that the whole industrial park will have a total site area of approximately 1,400 mu (equivalent to approximately 933,324 m²) of which approximately 673.94 mu (equivalent to approximately 449,296 m²) have already been leased to Sino Rock Tyco pursuant to the Historical LUR Lease Agreements and the LUR Lease Agreements (the “**Leased Land Parcels**”). Regarding the Leased Land Parcels, as at the Latest Practicable Date, Sino Rock Tyco has committed to the payment of RMB1.01 billion for all the rents and management fees payable in relation to the Leased Land Parcels for the entire lease term under the respective lease agreements. As disclosed in the announcement of the Company dated 24 October 2018 and under the section above headed “*The LUR Lease Agreement – Consideration*”, such amount is expected to be funded through the internal resources of Sino Rock Tyco.

LETTER FROM THE BOARD

The completed developments in the industrial park will include main and spare production plants for new energy vehicle, supporting pilot base, research and development centre and ancillary facilities, as well as staff residences, and such development will be consistent with the zoning plan of Danzao Logistics Centre, and the pilot programme for the development of sustainable clean growth economy initiated by the PRC authorities. The industrial park will be developed in two phases, with construction of most parts of the industrial park expected to commence in the first half of 2019 and be completed within 2020. Subject to the then lodging demand, further staff residences may be built in the year 2020, the construction of which is expected to complete in 2021. The completed developments (and limited land parcel(s) within the industrial park) will be sub-leased to third parties for occupation (in case of the limited land parcel(s) which may be sub-leased to third parties, such land parcel(s) will be industrial land(s) in Danzao Logistics Centre, and the sub-lessee will be required to develop the said land parcel(s) by constructing production plants for new energy related businesses).

During the construction and development phase of the entire industrial park until 2021, it is expected that an aggregate amount of RMB1.46 billion (equivalent to approximately HK\$1.69 billion) will be invested, which includes the rents and management fees in relation to the Leased Land Parcels under construction and the estimated construction costs. The amount is expected to be funded as to approximately 70% by the internal resources of Sino Rock Tyco (including its paid-up registered capital, rental incomes to be received on completed facilities which may be subleased during the construction and development phase, returns from investment and government allowances, part of which have already been earned and/or unconditionally received (as the case may be) as at the Latest Practicable Date), and approximately 30% by bank facilities.

As disclosed in the circular of the Company dated 19 December 2017, the Group sees a valuable investment opportunity to participate in the necessary infrastructure and supporting facility development in the Nanhai region, by capturing the commercial potential introduced by the PRC's national-level industry support policies to promote the transition for green development sustainable clean growth economy and "The Project of Accelerating the Development and Commercialisation of Fuel Cell Vehicles in China* (促進中國燃料電池汽車商業化發展項目) launched by the United Nations Development Programme, the PRC Ministry of Finance and the PRC Ministry of Science and Technology. The Group may further expand its venture in industrial parks development if there are favourable opportunities.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the transactions contemplated under the LUR Lease Agreements, when calculated on an aggregated basis with those under the Historical LUR Lease Agreements, exceeds 25% but is less than 100%, the matter constitutes a major transaction of the Company and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

As no Shareholder is materially interested in the transactions contemplated under the LUR Lease Agreements and is required to abstain from voting at a general meeting of the Company approving the same, the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the LUR Lease Agreements from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company, (representing 71.41% of its entire issued share capital as at the Latest Practicable Date) in lieu of convening a general meeting to approve the transactions contemplated under the LUR Lease Agreements.

RECOMMENDATIONS

The Directors are of the view that the terms of the LUR Lease Agreements and the transactions contemplated thereunder are on normal commercial terms which are made on an arm's length basis and are fair and reasonable, and in the best interests of the Group and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the financial and general information as set out in the appendices to this circular.

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited financial information of the Group for each of the three years ended 31 December 2015, 2016 and 2017 are disclosed in the following annual reports of the Company for the years ended 31 December 2015, 2016, 2017, respectively, and details of the unaudited interim financial information of the Group for the six months ended 30 June 2018 are disclosed in the following interim report of the Company for the six months ended 30 June 2018, which have been published and are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://chinainvestments.oceanwir.com>):

- the annual report 2015 of the Company for the year ended 31 December 2015 which was published on 15 April 2016 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0415/LTN20160415877.pdf>), please refer to pages 27 to 103 in particular;
- the annual report 2016 of the Company for the year ended 31 December 2016 which was published on 20 April 2017 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0420/LTN201704201313.pdf>), please refer to pages 33 to 121 in particular;
- the annual report 2017 of the Company for the year ended 31 December 2017 which was published on 18 April 2018 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0418/LTN20180418892.pdf>), please refer to pages 49 to 178 in particular; and
- the interim report of the Company for the six months ended 30 June 2018 which was published on 7 September 2018 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0907/LTN20180907555.pdf>), please refer to pages 16 to 80 in particular.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2018, the Group had outstanding secured interest bearing bank loans of approximately HK\$1,464,760,000. Among such loans, a small number of them are having a maturity profile in the near term (maturing in 2019 and 2020) and the rest are in the mid (maturing in 2021, 2023 and 2024) to long term (maturing in 2028 and 2035). The Group also had unsecured interest bearing loans from its immediate holding company and other independent third parties of approximately HK\$90,000,000 and HK\$79,689,000 respectively, all of which will mature in 2020. In addition, the Group had outstanding convertible notes in the aggregate principal amount of HK\$166,232,000 issued by the Company on 13 October 2014.

The Group has obtained a loan facility from a bank of approximately USD110,090,000 which a controlling Shareholder has provided the necessary corporate guarantee. As at the close of business on 31 December 2018, the Group has drawn down USD100,000,000 of the loan facility.

Save as aforesaid or otherwise discussed herein, as at the close of business on 31 December 2018, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

References are made to the profit warning announcement dated 16 August 2018 and the interim results announcement for the six months ended 30 June 2018 dated 21 August 2018 regarding the loss for the period attributable to the owners of the Company of approximately HK\$7,824,000 for the six months ended 30 June 2018, which was mainly attributable to the substantial increase in financial cost. Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group's multifaceted businesses are more resilient to sector-specific fluctuations in the economy, with diversified fields spanning from hotel investment, management and operation, property investments in both properties held for sale and investment properties, wellness elderly care business, and finance leasing. Through its joint ventures and associates, the Group also participates and invests in fast-growing sectors, including power generation, civil explosives and financial leasing in the PRC.

The Group has engaged in the operation and management of financial leasing business and gradually accumulated related experience through Guangdong Financial Leasing Co., Ltd.* (廣東粵科融資租賃有限公司), a 25%-owned associate of the Group. In view of the strategic plan of “Made in China 2025” announced by the PRC government and with support of the government policies, the demand for financial leasing for the fixed assets, especially equipment, is strong. According to the statistics published by China Bond Rating Co., Ltd.* (中債資信評估有限責任公司), the balance of financial leasing contract in the PRC increased at a compound rate of 40.46% year-over-year. The Group holds an optimistic view on the prospects of the development of financial leasing business in China, and has established a wholly-owned subsidiary Canton Risen Financial Leasing Co., Ltd.* (廣東粵盛科融資租賃有限公司) to further develop the financial leasing business which contributed to and is expected to grow and enhance both the revenue and profit to the Group.

During the year 2018, the Group, through merger and acquisition, acquired 49% of 廣東天諾民爆有限公司 (Guangdong Tiannuo Civil Explosives Co., Ltd.*) (“**Tiannuo Civil Explosives**”) and Guangdong Nanhong Chemical Co., Ltd.* (廣東南虹化工有限公司). It is hoped that the merger and acquisition will help improve the profitability of the Group, enabling the Group to explore the potential of the domestic civil explosive business.

During the course of transformation and upgrade in the past few years, with industry experience accumulated therefrom, the Group has basically confirmed its development focus and direction through continuous exploration, survey and steady investment. The Group will seize opportunities for market development and continue its efforts to adjust and optimize its business. The Group will develop its business towards finance, technology and wellness elderly care sectors in coming years. In respect of the finance sector, the Group will further develop the financial leasing business, and initially intends to focus on business areas including public utilities projects, environmental protection and energy-saving projects, new energy projects and tele-communication projects. In respect of the technology sector, taking advantages of the opportunity arising from the new smart city construction plan in Nanhai District, the Group will actively research on and develop the Big Data industry projects. Regarding the wellness elderly care sector, the Group will continue to develop towards the goal of establishing a 3-tier elderly care system comprising institutes, communities and households in Nanhai District based on the foundation of the Smart Elderly Care Services Platform. The Group will be able to expand its business coverage with the above development plans, thereby gradually achieving the goal of increasing and maintaining a solid return for the Shareholders.

* For identification purpose only

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from PSA (HK) Surveyors Limited, an independent property valuer, in connection with its valuation as at 11 January 2019 of the unencumbered land use right for the Land Parcels.

Our Reference No.: V19006/HCH/KHU

22 February 2019

The Board of Directors
China Investments Holdings Limited
Unit 601, Tsim Sha Tsui Center
66 Mody Road
Tsim Sha Tsui
Kowloon

Dear Sirs

Re: Rental Valuation of Four Parcels of Land in Yinhe Village, Danzao Town, Nanhai District, Foshan City, Guangdong Province, The People's Republic of China (the "Properties")

We refer to the instruction from China Investments Holdings Limited (hereinafter referred to as "Company") for us to carry out rental valuation of the property interests rented by 廣東中岩泰科建設有限公司 (hereinafter referred to as "Sino Rock Tyco") located in the People's Republic of China, details of which are set out in the attached valuation certificate. We confirm that we have made relevant investigation and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the rental value of the property interests as at 11 January 2019 ("Valuation Date").

VALUATION STANDARDS AND BASIS

In valuing the property interest, we have complied with relevant requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the "HKIS Valuation Standards (2017 Edition)" published by the Hong Kong Institute of Surveyors.

Our valuation is conducted on market rent basis. Market rent is defined as *"the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*.

VALUATION ASSUMPTIONS

No allowance has been made in our valuation for any charges or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting lease. Unless otherwise stated, it is assumed that the Properties were free from encumbrances, restrictions and outgoings of an onerous nature which could affect its rental value.

VALUATION METHODOLOGY

In valuing the Properties which is leased out as at the Valuation Date, we have adopted direct comparison approach by making reference to comparable rental evidence available in the relevant market. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair rental value.

SOURCE OF INFORMATION

In the course of our analysis, we have obtained copies of relevant contractual documents relating to the property interest. However, we have not scrutinised all the original documents to verify leasing right or any subsequent amendments, if any, which may not appear on the copies handed to us. We have relied on a considerable extent on the information provided by the Company and have accepted the advice given to us on such matters as tenure, planning approvals, statutory notices, easements, site area, development scheme and all other relevant matters.

We have inspected the information provided to us and made relevant enquiries in a reasonable and prudent manner. We have had no reason to doubt the truth and accuracy of the information provided to us, which are material to the valuation. We also made enquiries to the Company and being confirmed that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to form an informed opinion and have no reason to doubt any material information hidden.

In forming our opinion of rental value of the Properties, we have also relied on the legal opinion provided by the Company's PRC legal advisor, Guangdong Zhigao Law Firm (the "PRC Legal Opinion").

PROPERTY INSPECTION

The Properties were inspected by our Ms. Chen Xinran on 11 January 2019. We have inspected the Properties to such extent as for the purpose of this valuation. We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation is on the basis that these aspects are satisfactory.

We have not carried out site measurements to verify the correctness of the site area of the Properties and have assumed that the site area shown on the documents and official site plan handed to us is correct. All documents and contracts are for reference only, while all dimensions, measurements and areas are approximates.

Unless stated otherwise, all currencies are in Renminbi (“RMB”).

We enclose herewith our Valuation Certificate.

Yours Faithfully
For and on behalf of
PSA (HK) Surveyors Limited

Harry Chan *FHKIS, MRICS, RPS (GP), MCIREA*
Managing Director
Valuation & Advisory Services

Notes:

Mr. Harry Chan is a Registered Professional Surveyor (General Practice) with over 25 years' experience in assets valuation in Hong Kong and China. Mr. Chan is a fellow member of The Hong Kong Institute of Surveyors, a corporate member of Royal Institution of Chartered Surveyors and a member of China Institute of Real Estate Appraisers and Agents.

Encl.

VALUATION CERTIFICATE

Property	Description and Tenure	Details of Occupancy	Annual Rental Value in Existing State as at 11 January 2019
Four Parcels of Land in Yinhe Village, Danzao Town, Nanhai District, Foshan City, Guangdong Province, The People's Republic of China	<p>The Properties consist of four parcels of land with a total site area of approximately 315,313.2 square metre. The Properties are for industrial use.</p> <p>The Properties are planned for development of industrial park situated in Danzao Logistics Centre.</p> <p>According to four "Land Use Right Lease Agreements", the lease terms of Land Parcel 1 and Land Parcel 2 commenced from 21 January 2019 to 25 August 2051; whereas the lease terms of Land Parcel 3 and Land Parcel 4 commenced from 21 January 2019 to 20 December 2051.</p> <p>For all four parcels of land and in the first three years ending 20 January 2022, the annual rent payable by Sino Rock Tyco (inclusive of tax) will be RMB30,000 per mu and from 21 January 2022 onwards, the annual rent will be increased by 8% every three years.</p>	The Properties were vacant as at the Valuation Date.	RMB16,823,000 (Renminbi Sixteen Million Eight Hundred and Twenty-three Thousand)

APPENDIX II

PROPERTY VALUATION REPORT

Notes:

1. According to various real property documents provided, the land information of the Properties is illustrated below:

Land Parcel	Title Document and Certificate Number	Land Type	Site Area (m ²)
1	Yue (2007) Fonan Real Estate Ownership Certificate No. 0090120	Collective Construction Land	43,789.0
	Yue (2007) Fonan Real Estate Ownership Certificate No. 0396505	Collective Construction Land	20,827.9
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0215911	Collective Construction Land	3,580.2
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0299504	Collective Construction Land	834.3
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0299535	Collective Construction Land	48.7
2	Yue (2017) Fonan Real Estate Ownership Certificate No. 0090113	Collective Construction Land	22,280.4
	Yue (2017) Fonan Real Estate Ownership Certificate No. 0090086	Collective Construction Land	5,462.4
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0235598	Collective Construction Land	4,659.9
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0299513	Collective Construction Land	22.1
3	Yue (2018) Fonan Real Estate Ownership Certificate No. 0039984	Collective Construction Land	135,384.3
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0235592	Collective Construction Land	7,869.3
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0299466	Collective Construction Land	464.5
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0299481	Collective Construction Land	613.8
4	Yue (2017) Fonan Real Estate Ownership Certificate No. 0090164	Collective Construction Land	60,953.4
	Yue (2018) Fonan Real Estate Ownership Certificate No. 0235591	Collective Construction Land	3,588.4
	Approval Letter Nan Guo Tu Zheng Fu (2018) No. 00025	State-Owned Construction Land	4,576.8
	Not available	Collective Land	357.8

2. According to the four Land Use Right Lease Agreements (“LUR Lease Agreements”), construction period for relevant construction is 60 months from the date of the LUR Lease Agreements. Sino Rock Tyco will be required to pay 120% of the then current rent for the period of delayed construction.

3. The opinion of the legal adviser on the PRC laws states that:
 - (i) “佛山市南海區丹灶鎮銀河村大杏股份合作經濟社” has the right to lease out the Properties, “佛山市南海聯運投資有限公司” has the right to sublet the Properties.
 - (ii) The signing and enforcement of the land use right lease agreement do not require the approval from the Land Authority of Nanhai District, but the signed agreement and relevant documents should be submitted to the Land Authority of Nanhai District for filing purpose within 30 days upon signing of relevant agreements.
 - (iii) Sino Rock Tyco enjoys the use rights of buildings erected on the subject land but does not enjoy ownership rights of the buildings.
4. To develop the subject Land Parcels for industrial park, administrative permissions, including planning permits (建設工程規劃許可證) and construction permits (建設工程施工許可證) , will be required. The expected timeline of completion of construction of various parts of the industrial park will be communicated to the relevant PRC authorities when the relevant construction permits are applied for, and be referenced therein.
5. The signed LUR Lease Agreements have been filed in the Land Authority of Nanhai District as at the date of this report.
6. Subject Land Parcels were vacant and there were no buildings erected on it as at the date of inspection. Sino Rock Tyco will enjoy the use rights of any buildings to be erected on the subject Land Parcels but does not enjoy ownership rights of the buildings.
7. The above-mentioned market rental value is exclusive of property management fee.
8. The current use of the Properties complies with the town planning use.
9. Assuming the Properties are allowed to be transferred in the open market, the capital value of the Properties is approximately Renminbi Three Hundred and Thirty-four Million (RMB334,000,000).

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Long positions in the Shares

Name of Director	Capacity	Nature of interest	Number of Shares held	Approximate percentage of total issued Shares as at the Latest Practicable Date ¹
He Xiangming	Beneficial owner	Personal	1,441,000	0.08%

Note:

- The percentage was calculated based on 1,712,329,142 shares of the Company in issue as at the Latest Practicable Date.

Save as disclosed above, none of the Directors and chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or which were entered in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of the Shareholders in the shares, underlying shares of the Company

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the interests and short positions of the Shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:—

Name of Shareholder	Capacity of Shareholder	Number of shares/ underlying shares of the Company		Approximate percentage of total issued shares of the Company as at the Latest Practicable Date ¹
		Long position	Short position	
廣東南海控股投資有限公司 (Guangdong Nanhai Holding Investment Co., Ltd.*)	Corporate interest	1,441,439,842 ²	—	84.18%
Nam Keng Van Investment Company Limited	Beneficial owner	121,864,487 ³	—	7.12%
Cui Guo Jian	Corporate interest	121,864,487 ³	—	7.12%
Pu Jian Qing	Corporate interest	121,864,487 ³	—	7.12%

Notes:

- The percentage was calculated based on 1,712,329,142 shares of the Company in issue as at the Latest Practicable Date.
- These 1,441,439,842 shares comprises (i) 1,222,713,527 shares of the Company held by Prize Rich Inc. which was wholly-owned by Guangdong Nanhai Holding Investment Co., Ltd.* (廣東南海控股投資有限公司) ; and (ii) 218,726,315 new shares to be allotted and issued by the Company to Prize Rich Inc. upon the exercise of conversion rights attaching to the convertible bonds issued by the Company to Prize Rich Inc. pursuant to an acquisition agreement as part of the consideration.
- These 121,864,487 shares were held by Nam Keng Van Investment Company Limited which was wholly-owned by Mr. Cui Guo Jian and Mr. Pu Jian Qing equally.

* For identification purposes only

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or his or her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL CONTRACTS

The following are contracts entered into by the members of the Group within the two years immediately preceding the date of this circular and which is or may be material or of significance:

- (a) the provisional sale and purchase agreement dated 25 July 2017 entered into amongst Greenswood Property Limited (建和物業有限公司) (“**Greenswood**”) (a wholly-owned subsidiary of the Company) as vendor, China Queen Investment Limited (中崑投資有限公司) (“**China Queen**”) as purchaser and Flourish Property Agency (C. I. S.) Limited as the selling agent, pursuant to which Greenswood agreed to sell Portion A on the Ground Floor of Kai Yip Factory Building, Nos. 15-17 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong to China Queen for the consideration of HK\$33,800,000;

- (b) the letter of intent dated 31 August 2017 entered into between China Investments Limited (“**CIL**”) (a wholly-owned subsidiary of the Company) as vendor and LIN Zhongxing (“**LIN**”) as purchaser, pursuant to which CIL agreed to sell and LIN agreed to purchase 33 offices and 4 shops located at Shantou Commercial Plaza, 106 Jinsha Road, Shantou of Guangdong Province in the PRC (the “**Properties**”) and the tenancies of the Properties (if any) by way of disposal by CIL of the entire equity interest of 13 companies being the indirect wholly-owned subsidiaries of the Company incorporated in Hong Kong with limited liability and holding the Properties at the consideration of RMB39,500,000; as LIN has failed to settle any of the consideration payments, the letter of intent has been terminated;
- (c) the investment agreement dated 29 September 2017 entered into amongst CIL and T-Box Union (China) Financial Holdings Investments Limited (“**T-Box Holdings**”) and T-Box Union Investments Limited (“**T-Box Investments**”) in relation to the establishment of Xingye Homestay Inn Union Limited (re-named as China Select Small Hotel Union Limited) (“**Small Hotel Union**”) to engage in the platform operation, investment and management of the homestay accommodation and hotels and other related business in the PRC, under which CIL will contribute HK\$6,120,000 to Small Hotel Union (representing 51% of the total initial share capital), T-Box Holdings will contribute HK\$3,600,000 (representing 30% of the total initial share capital) and T-Box Investments will contribute HK\$2,280,000 (representing 19% of the total initial share capital);
- (d) the joint venture agreement dated 16 November 2017 entered into amongst CIH Finance Investments Holdings Limited (中國興業金融投資控股有限公司) (“**CIH Finance**”) (a wholly-owned subsidiary of the Company) and 佛山市南海金融高新區投資控股有限公司 (Nanhai Financial Hi-Tech Zone Investment Holdings Co., Ltd.*) in relation to the establishment of Sino Rock Tyco pursuant to which CIH Finance agreed to contribute an equivalent amount of RMB728,000,000 to Sino Rock Tyco, representing 80% of the total capital contributions;
- (e) the capital contribution agreement dated 28 March 2018 entered into amongst 佛山市南海康美投資有限公司 (Foshan City Nanhai Canmanage Investments Holdings Limited*) (“**Nanhai Canmanage**”) (a wholly-owned subsidiary of the Company), 佛山市南海區聯華資產經營管理有限公司 (Foshan City Nanhai District Lianhua Asset Operation & Management Co., Ltd.*) (“**Nanhai Lianhua**”), 廣東省南海化工總廠有限公司 (Guangdong Nanhai Chemical Factory Co., Ltd.*) (“**Nanhai Chemical**”) and Tiannuo Civil Explosives in relation to the contribution of RMB130,333,102.44 by Nanhai Canmanage to the capital of Tiannuo Civil Explosives for 49% of the enlarged equity interest of Tiannuo Civil Explosives;

* For identification purposes only

- (f) the capital injection agreement dated 27 September 2018 entered into amongst CIH Finance, 中創興科(深圳)投資有限公司 (Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited*) (“**ZCXK**”) (a wholly-owned subsidiary of the Company), Canton Risen Financial Leasing Co., Ltd.* (廣東粵盛科融資租賃有限公司) (“**Canton Risen**”) and 佛山市粵樵資產管理有限公司 (Foshan Yueqiao Assets Management Co., Ltd.*) (“**Yueqiao Assets Management**”) in relation to the contribution of RMB52,145,000 in cash to the capital of Canton Risen by Yueqiao Assets Management;
- (g) the finance lease agreements dated 14 December 2018 entered into amongst Canton Risen and the lessees in relation to the transfer of ownership and lease back of designated pipe networks for sewage treatment for an aggregate consideration of RMB221,000,000;
- (h) the capital injection agreement dated 28 December 2018 entered into amongst CIH Finance, ZCXK, Yueqiao Assets Management, Canton Risen and 佛山市南海大瀝自來水公司 (Foshan City Nanhai Dali Water Supply Company*) (“**Dali Water Supply**”), in relation to the contribution of RMB52,146,900 in cash to the capital of Canton Risen by Dali Water Supply;
- (i) the LUR Lease Agreements; and
- (j) the finance lease agreement dated 21 February 2019 entered into between Canton Risen, 佛山市南海恒源物業管理有限公司 (Foshan City Nanhai Hengyuan Property Management Co., Ltd.*) and 佛山市南海區大瀝鎮源生水處理有限公司 (Foshan City Nanhai District Dali Town Yuansheng Water Treatment Co., Ltd.*) in relation to the transfer of ownership and lease back of designated pipelines for sewage collection systems for a consideration of RMB140,000,000.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

* For identification purposes only

8. MATERIAL ACQUISITION

On 28 March 2018, a capital contribution agreement was entered into amongst Nanhai Canmanage (a wholly-owned subsidiary of the Company), Nanhai Lianhua, Nanhai Chemical and Tiannuo Civil Explosives pursuant to which Nanhai Canmanage contributed RMB130,333,102.44 to the capital of Tiannuo Civil Explosives for 49% of the enlarged equity interest of Tiannuo Civil Explosives. Tiannuo Civil Explosives is a PRC State-owned manufacturer and distributor of porous granular oil explosives (多孔粒狀鉍油炸藥), emulsion explosives (乳化炸藥) and industrial detonating cord (工業導爆索) and principally operates in the Guangdong area of the PRC. The capital contribution was settled in cash, of which RMB70,000,000 was funded through external loan financing and the remaining RMB60,333,102.44 was funded through internal resources of the Group. Completion of the capital contribution took place on 20 August 2018.

The aggregate of the remuneration payable to and the benefits in kind receivable by the directors of Nanhai Canmanage will not be varied in consequence of the said acquisition.

Save as disclosed above, since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group have been made up, no member of the Group has acquired, or agreed to acquire, or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors' report or next published audited consolidated financial statements of the Group.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
PSA (HK) Surveyors Limited ("PSA (HK)")	Independent property valuer

PSA (HK) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report as set out in this circular and references to its name in the form and context in which it appears in this circular.

As at the Latest Practicable Date, PSA (HK) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, PSA (HK) did not have any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The branch share registrar of the Company is Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The Company's head office and principal place of business in Hong Kong is at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong from the date of this circular up to and including 8 March 2019:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2015, 2016 and 2017 respectively;
- (c) the interim report of the Company for the six months ended 30 June 2018;
- (d) the material contracts referred to in the section headed "*Material contracts*" in this appendix;
- (e) the property valuation report from PSA (HK) as set out in Appendix II to this circular;
- (f) the circular of the Company dated 9 May 2018 relating to the capital contribution to Tiannuo Civil Explosives;
- (g) the circular of the Company dated 9 May 2018 relating to the proposed mandate in relation to the potential very substantial disposal through public tender;
- (h) the circular of the Company dated 9 January 2019 relating to the entering into of finance leases as a lessor;
- (i) the circular of the Company dated 15 February 2019 in relation to the deemed disposal of equity interest in Canton Risen; and
- (j) this circular.